

OBSERVATION REPORT #45

Unbundled Switching & Transport Usage quantities and rates were incorrectly applied and billed to the KPMG Consulting CLEC.

Issue

Verizon-New Jersey (VZN-NJ) rendered bills to the KPMG Consulting CLEC with incorrect quantities of Unbundled Transport per Mile Originating Minutes and incorrect rates for the In Region Directory Assistance Call charge.

During the course of executing the Functional Usage Evaluation test from October 2 through October 3, 2000, KPMG Consulting completed a variety of test calls including calls on unbundled lines. KPMG Consulting examined the October 10th CABS bill and observed inconsistencies between the expected results and the actual results for Unbundled Transport per Mile Originating Minutes and the rate for In Region Directory Assistance Calls. The expected results were calculated using the Daily Usage Feed (DUF) records sent by VZN-NJ.

Inconsistencies have been identified in two categories of charges:

- 1) Unbundled Transport per Mile Originating Minutes
- 2) In Region Directory Assistance Calls

Details of charges are shown on the following pages.

Category 1: Unbundled Transport per Mile Originating Minutes

Inconsistencies in this category consist of differences in the distribution of quantities across several mileage bands and rounded quantities for the Unbundled Transport per Mile Originating Minutes. The following details documented rounding rules for unbundled usage verification:

- Verification of UNE Usage Charges for CABS Bill Verification published in the Verizon CLEC Handbook, Volume III Section 10.3, indicate the CLEC must total the number of minutes of use (MOU) per end office across all DUF call records in which a particular per MOU rate element applies. This calculation must be rounded down to the nearest full minute.

The actual quantity of minutes of use per mile appears to be rounded up on the bill.

The following table details the CABS bill charges for the Unbundled Transport per Mile Originating Minutes.

Bill Date: **October 10, 2000** Bill Number: **201 Y04-1096 096** Invoice : **Y041096096-00284**
End Offices: **ASPKNJAPDS5 and WOVLNJWODS5**

Rate Category	Expected Quantity	Actual Quantity	Expected Rate	Actual Rate	Expected Amount	Actual Amount
UNB Transport per mile, Originating Minutes- 0 miles	NA	3	NA	0.0000012	NA	\$0.00
UNB Transport per mile, Originating Minutes- 4 miles	45	45	0.0000012	0.0000012	\$0.00	\$0.00
UNB Transport per mile, Originating Minutes- 5 miles	36	37	0.0000012	0.0000012	\$0.00	\$0.00
UNB Transport per mile, Originating Minutes- 6 miles	28	32	0.0000012	0.0000012	\$0.00	\$0.00
UNB Transport per mile, Originating Minutes- 7 miles	212	209	0.0000012	0.0000012	\$0.00	\$0.00
UNB Transport per mile, Originating Minutes- 8 miles	56	57	0.0000012	0.0000012	\$0.00	\$0.00
UNB Transport per mile, Originating Minutes- 10 miles	30	30	0.0000012	0.0000012	\$0.00	\$0.00
UNB Transport per mile, Originating Minutes- 11 miles	NA	7	NA	0.0000012	NA	\$0.00
UNB Transport per mile, Originating Minutes- 12 miles	7	NA	0.0000012	NA	\$0.00	NA
UNB Transport per mile, Originating Minutes- 13 miles	14	NA	0.0000012	NA	\$0.00	NA
UNB Transport per mile, Originating Minutes-14 miles	41	56	0.0000012	0.0000012	\$0.00	\$0.00
UNB Transport per mile, Originating Minutes-15 miles	1	2	0.0000012	0.0000012	\$0.00	\$0.00
UNB Transport per mile, Originating Minutes-17 miles	6	7	0.0000012	0.0000012	\$0.00	\$0.00
UNB Transport per mile, Originating Minutes-18 miles	3	38	0.0000012	0.0000012	\$0.00	\$0.00
UNB Transport per mile, Originating Minutes-19 miles	34	NA	0.0000012	NA	\$0.00	NA
UNB Transport per mile, Originating Minutes-22 miles	1	2	0.0000012	0.0000012	\$0.00	\$0.00
UNB Transport per mile, Originating Minutes-28 miles	2	3	0.0000012	0.0000012	\$0.00	\$0.00
UNB Transport per mile, Originating Minutes-30 miles	NA	1	NA	0.0000012	NA	\$0.00
UNB Transport per mile, Originating Minutes-31 miles	2	2	0.0000012	0.0000012	\$0.00	\$0.00
UNB Transport per mile, Originating Minutes-32 miles	NA	1	NA	0.0000012	NA	\$0.00
UNB Transport per mile, Originating Minutes-36 miles	4	16	0.0000012	0.0000012	\$0.00	\$0.00
UNB Transport per mile, Originating Minutes-40 miles	1	2	0.0000012	0.0000012	\$0.00	\$0.00
Total UNB Transport per mile, Originating Minutes	523	550	0.0000012	0.0000012	\$0.00	\$0.00
UNB Transport Fixed, Originating Minutes	535	550	0.0002486	0.0002486	\$0.13	\$0.14
UNB Tandem Switching, Originating Minutes	0	3	0.0014710	0.0014710	\$0.00	\$0.00

This observation report is for discussion purposes only and subject to change without notice.

Category 2: In Region Directory Assistance Calls

Inconsistencies were noted with the In-Region Directory Assistance Calls charge rate. In addition, the actual bill charge amount has been rounded up.

- Verification of UNE Usage Charges for CABS Bill Verification published in the Verizon CLEC Handbook, Volume III Section 10.3, indicate when the final usage charges are calculated the result is always rounded down (truncated).

Rate Category	Expected Quantity	Actual Quantity	Expected Rate	Actual Rate	Expected Amount	Actual Amount
In Region Directory Assistance Calls	159	159	0.3110000	0.2750000	\$49.44	\$43.73

Assessment

A CLEC's ability to accurately project revenue and operating expenses is based, in part, on accurate billings from the ILEC. Incorrect billing distorts financial planning. In addition, incorrect charges on CLEC bills may cause a CLEC to incur added costs to reconcile bills.